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Press Release

FOR IMMEDIATE RELEASE

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Attorney General Receives News of Favorable Decision in Appeal of Oxycontin Lawsuit for DHHR

The Attorney General's Office received notice today of a favorable decision in the case of Center for Medicaid and Medicare Services v. West Virginia Department of Health and Human Resources, wherein DHHR had appealed a disallowance of \$4,143,075.00 resulting from the State's OxyContin lawsuit against Purdue Pharma.

While upholding the federal government's right to some equitable share of the settlement proceeds, the United States Department of Health and Human Resources Departmental Appeals Board found that the amount of the disallowance was "unreasonable on its face and that CMS has not articulated a sufficient basis for upholding the amount of the disallowance." The Appeals Board remanded the case to CMS with instructions that CMS provide West Virginia with a reasonable opportunity to submit additional evidence and argument.

"We are pleased by the Appeals Board's decision," said Chief Deputy Attorney General Fran Hughes, "because it removes the long shadow cast by the original \$4,143,075.00 disallowance and reaffirms most of the arguments we made with respect to allocation of the OxyContin proceeds."

Chief Deputy Hughes noted that there is a strong possibility of a settlement with CMS now that the Appeals Board has found CMS's allocation to be unreasonable and unsupported. The Attorney General's Office has a sum of money set aside for this purpose and will be in contact with CMS today to begin discussions.

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